SCAM in Indian Overseas Bank

1035. SHRI K. B. KRISHNA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether a massive money laundering scam has been unearthed involving Indian Overseas Bank at Port Blair (Andamans) in the name of celebrities and VIPs;

(b) if so, whether any investigation has been conducted by the Central Bureau of Investigation;

(c) if so, the findings thereof; and

(d) what is the amount of money that has been defrauded from the bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) Central Bureau of Investigation (CBI) has reported that a case has been registered by the CBI against some officials of Indian Overseas Bank, Port Blair branch and one private person who are alleged to have conspired amount themselves and opened accounts in the names of fictitious persons for depositing illegally earned money to the tune of Rs. 7 crores. They also issue bank drafts in the names of fictitious persons including some celebrities to create Fixed Deposit Receipts of over Rs. 2 crores by abusing official position.

(d) No loss to the bank is involved.

Setting up of a Committee for appointments of CMDs in Banks

1036. DR. Y. RADHAKRISHNA MURTY: Will the Minister of FINANCE be pleased to state:

(a) whether a committee to review the norms for top bank appointments like Chairman and Managing Directors has been set up;

(b) if so, what are its recommendations; and

(c) if not, by when these are likely to be received?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) No, Sir.

(b) and (c) Do not arise.